

trust fund, which pays inpatient hospital expenses, will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range.

The trustees urge the Congress to take additional actions designed to control Medicare costs, and to address the projected financial imbalance in both the short range and the long range through specific program legislation as part of a broad-based health care reform. The trustees believe that prompt, effective and decisive action is necessary.

And then it shows what the assets of the various funds are. It talks about the taxes. We spend 1.45 percent of our payroll, both that is matched by the employer that is paid for by the employee, for a total of 2.9 percent. That is what pays for the Medicare trust fund. It shows where the money has been in the past and what it is projected to be in the future.

I want to read one other summary that is at the very end of it because I think it is important. I think it is critical. It says, "A Message From the Trustees." This is the fifth set of trust fund reports on which we have reported.

During the past five years there has been a trend of deterioration in the long-range financial condition of the Social Security and Medicare programs and an acceleration in the projected dates of exhaustion in the related trust funds.

With respect to the Medicare Program, the most critical issue, however, relates to the Medicare Program. Both the hospital insurance trust fund and the supplementary medical insurance trust fund show alarming financial results, and it goes on to describe those.

Now, get a copy of this. Read it through yourself so you can cut through some of the rhetoric you hear if you are a regular C-SPAN viewer or that you see in the media. There is a serious problem, and it is our responsibility as your elected officials to deal with it.

This problem did not just come to light in the 104th Congress. The problem has been around for awhile. We certainly knew about it in the 103d Congress, and the reason that we were not able to solve something is that the President and the Democratic majority at that time wanted to bring about a solution that was not very popular with the American people.

I had so much more I wanted to tell you about. The solutions that we are proposing, I will pursue this later in a special order.

HOUSING CUTS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from New York [Mrs. MALONEY] is recognized during morning business for 2 minutes.

Mrs. MALONEY. Mr. Speaker, the HUD appropriations bill that is coming before the House takes a giant step

backward. The cuts will have a devastating impact on many regions of the country, including New York City, which I represent.

New York has a chronic problem in providing affordable housing. Section 8 public housing and other programs make the difference for many poor families. The New York City Housing Authority stopped accepting applications for section 8 in 1944. We have over 200,000 families on the waiting list. If this bill passes, we will have no housing for them in the foreseeable future.

New York's housing crisis and the crisis across the country will only grow worse. This bill will eliminate all new section 8 assistance. It will reduce funding for the elderly, the disabled, and AIDS by 45 percent. It will reduce funding for the homeless by 50 percent. This is about ensuring that all Americans have access to one of the most basic necessities of life: shelter.

In this country where we should be the beacon of progress for the rights of all, bills like this one show that we have become part of the darker side of the politics in the world. We cannot let this happen. We can reverse it.

STOP WASTING MEDICARE FUNDS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized during morning business for 5 minutes.

Mr. STEARNS. Mr. Speaker, I do not think many Members know how many more cases of fraud, waste, and abuse have come before our Committee on Commerce. According to the General Accounting Office, the amount of taxpayers' dollars that will be lost to waste, fraud, and abuse for fiscal year 1996 is estimated to be an astounding \$19.8 billion, or roughly 10 percent.

In hearings held in both the House and Senate, evidence was presented showing how widespread these practices have become. The Committee on Commerce on which I sit has been holding a series of hearings on waste, fraud, and abuse; and frankly, some of the examples that we have discovered are simply unbelievable.

One such example was transmitted to me by Willis Publishing Co. in Lebanon, GA. I was provided with documented evidence of licensed providers of goods and services marking up their products by as much as a thousand percent. That is right. You heard me correctly. A thousand percent.

You might ask, how is this possible? A good example is billing of Medicare-Medicaid \$1,210.55 for 155 adult diapers which on a wholesale level cost 41 cents. Tripling the wholesale cost, a great markup, would have resulted in a price of \$1.23 each.

The licensed Medicare provider billed Medicare for \$1,210.55, collected \$986.44, and then had the nerve to bill Medicaid for the remaining \$242.11. U.S. taxpayers paid \$7.81 for each one of these diapers which went on wholesale for 41 cents each.

I will include the material I received from Willis Publishing in the RECORD.

Another very telling example of that further demonstrates that this type of abuse, but on a larger scale, was reported during the hearings held before the Senate Select Committee on Aging this past March.

At those hearings, the inspector general at the Department of Health and Human Services testified that a special investigation of home health care visits for which Medicare reimbursement was sought by a health care agency in Florida showed that from the \$45.4 million that was claimed, the office of inspector general estimated that almost \$26 million did not meet Medicare reimbursement guidelines.

This is just one agency in the State of Florida covering home health visits. Frankly, I shudder to think what the IG's office would find if it investigated all 50 States.

I would like to convey yet another example that was sent to my office by a constituent from Altoona, FL. This letter read, in part, "The hospital charges seemed to me to be excessive. One in particular in the amount of \$195 was for trimming my toenails. My only comment to that would be, that is a pretty expensive pedicure."

Mr. Speaker, it doesn't take a math genius to figure out how much money we could save by wiping out waste, fraud, and abuse in the Medicare Program. By my calculations, if, as has been reported by the GAO, such practices of bilking Medicare at the cost of \$20 billion a year are now prevalent, then by putting a stop to this type of fraudulent behavior we could save \$140 billion in expenditures over the next 7 years.

Mr. Speaker, earlier this year I introduced legislation to establish a bipartisan commission on the future of Medicare to make findings and issue recommendations on the future of this program. One of the areas on which the commission shall make specific findings is the need to eliminate waste, fraud, and abuse.

We are doing a vast disservice to our seniors if we do not stop this type of abuse from occurring. Such practice not only costs taxpayers money, but it cheats our seniors by denying them access to benefits they would have otherwise received.

Mr. Speaker, I include the following material for the RECORD:

WILLIS PUBLISHING,
Lebanon, GA, July 13, 1995.
c/o Representative CLIFF STEARNS,
Rayburn Building,
Washington, DC.

MS. CROW: Here is the question I'd like someone to answer during your congressional hearings on fraud and abuse in the Medicare/Medicaid system:

"How are prices set for the goods and services sold to Medicare/Medicaid recipients and who approves those prices?"

It is my belief, based on 2 years research, that there is corruption in every step of the Medicare/Medicaid delivery system. Per our conversation today, here is a synopsis of my findings: